

Fiscal Note

Fiscal Services Division



HF 580 – Home School Assistance Program Enrollment (LSB 2362HV)
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Fiscal Note Version – New

Description

House File 580 modifies the age requirement for children receiving competent private instruction to qualify for the home school assistance program (HSAP) and dual enrollment to include children that are of school age rather than compulsory attendance age.

Background

Compulsory age is defined by Section 299.1A as a child between the ages of 6 and 16. School age is defined by Section 282.1 as a child between the ages of 5 and 21. Students that receive competent private instruction through the HSAP are included in a school district's budget enrollment and receive a weighting of 0.3. Students that receive competent private instruction under dual enrollment are included in a school district's budget enrollment and receive a weighting of 0.1. Funding generated from these weightings is to be used to fund the costs to school districts associated with providing services to these students.

Based on the certified enrollment data from October 2010, the total weighting for HSAP and dual enrolled students was 2,030.0. This weighting level will generate an estimated \$10.6 million of funding, including \$9.3 million of State aid and \$1.4 million of property tax through the school aid formula for FY 2012. Included in this count were students of school age that were not of compulsory attendance age. The weighting for these students totaled 223.9, and will generate \$1.3 million, including \$1.15 million of State aid and \$0.17 million of property tax.

Under current law, the students outside the compulsory attendance age should not have been included in the budget enrollment count. An enrollment audit adjustment will be made to correct FY 2012 school aid funding in FY 2013. The amount of the enrollment audit adjustment will result in a total funding decrease of \$1.3 million, including \$1.15 million of State aid, and \$0.17 million of property tax in FY 2013.

Assumptions

- Assumes a 0.0% allowable growth rate for FY 2012 and FY 2013.
- Assumes no growth in the amount of HSAP and dual enrollment weighting at each age level.
- Assumes that an enrollment audit adjustment will be made in FY 2013 to correct the October 2010 enrollment count that included students outside the compulsory attendance age. The enrollment audit adjustment will be required to rectify the overpayment of school aid in FY 2012 that will result from the inclusion of students that were not eligible to be counted. This enrollment audit adjustment will result in decreasing school aid funding by \$1.3 million (\$1.15 million of State aid and \$0.17 million of property tax).
- Although the students were included in the FY 2012 school aid estimates, an adjustment will be made and these students will not be included in the FY 2013 school aid estimate if **HF 580** is not enacted.

Fiscal Impact

The estimated fiscal impact of [HF 580](#) will be an increase of school aid funding of \$1.3 million in FY 2013 compared to current law estimates. State General Fund expenditures to fund State school aid will increase \$1.15 million, and local school district property tax will increase \$0.17 million. The following table provides the estimated fiscal impact.

Estimated Fiscal Impact of Proposal in FY 2013				
	<u>Weighting</u>	<u>Total Funding</u>	<u>State Aid Portion</u>	<u>Property Tax Portion</u>
HSAP	177.3	\$ 1,046,944	\$ 912,725	\$ 134,219
Dual Enrolled	46.6	275,250	239,919	35,331
Total	223.9	\$ 1,322,194	\$ 1,152,644	\$ 169,550

Sources

Iowa Department of Education, Project EASIER Enrollment and Certified Enrollment files
Iowa Department of Management, School Aid file
LSA calculations and analysis

/s/ Holly M. Lyons

March 28, 2011

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to Code [Section 2.56](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
